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# NEWS RELEASE

## Idaho Power Files 2014 Power Cost Adjustment

*Recent improvements in stream flow projections result in a modest PCA increase request.*

BOISE, Idaho, April 15, 2014 -- Today Idaho Power submitted its annual Power Cost Adjustment (PCA) proposal for approval by the Idaho Public Utilities Commission (IPUC). The PCA is a cost recovery tool that passes on both the benefits and costs of supplying energy to Idaho Power customers. Neither Idaho Power nor its shareholders receive any financial return on this filing.

If the PCA proposal is approved by the IPUC, the price Idaho customers pay for electric service will increase by \$11.1 million, or an overall percentage increase of 1.04 percent from current prices, beginning June 1. The typical Idaho residential customer using 1,050 kilowatt-hours of energy per month will see an increase of about \$0.57 on their monthly bill. The actual percentage of change will depend on a customer's group and the rate they pay.

### Proposed 2014 Billed Revenue Impact by Class: Percentage Change from Current Prices

Residential	Small General Service	Large General Service	Large Power	Irrigation	Overall Change
0.56%	0.15%	1.26%	2.17%	1.04%	1.04%

In compliance with a prior IPUC order, this year's PCA request includes an update to base rates that will provide for an additional \$99.3 million in power supply expense recovery. This base rate increase will be partially offset by an \$88.2 million decrease in this year's PCA collection. The net impact of the base rate increase and the PCA decrease is an increase of \$11.1 million.

The company's PCA request includes the benefits of \$7.6 million in revenues to be shared with customers and a proposal to utilize \$20.0 million of energy efficiency funds as offsets to power supply expenses. Idaho Power Vice President of Regulatory Affairs Greg Said pointed out, "We're seeking to reduce customers' PCA obligation through the use of energy efficiency funds. This would have no impact on existing and new demand side management services. A full portfolio of demand response and energy efficiency programs for all customer sectors will continue to be offered."

## Idaho Power Files 2014 Power Cost Adjustment

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### Why Does Idaho Power Need to Increase Prices?

Hydroelectric generation for the 2013-2014 PCA year was forecast to be 6.8 million megawatt-hours (MWh). Actual hydro generation for the time period was 5.7 million MWhs. In addition to requiring the company to use more expensive resources to meet customers' needs for electricity, lower than projected hydroelectric generation also results in lower than projected surplus sales. When surplus sales are lower, that benefit, which is passed through to customers, is reduced.

Looking forward, the company's current hydroelectric generation is forecast to be about 86 percent of the normal expectation, with reservoirs upstream from Brownlee significantly lower than normal due to persistent dry conditions during 2013 through January 2014.

Idaho Power's filing is a proposal that is subject to public review and approval by the IPUC. Copies of the application are available to the public at the IPUC offices (472 W. Washington St., Boise, Idaho, 83702), Idaho Power offices or on Idaho Power's website, [www.idahopower.com](http://www.idahopower.com) or the IPUC website, [www.puc.idaho.gov](http://www.puc.idaho.gov). Customers also may subscribe to the IPUC's RSS feed to receive periodic updates via email about the case. Written comments regarding the utility's application may be filed with the IPUC. You can view additional related materials on the filing at [www.idahopower.com/rates](http://www.idahopower.com/rates).

### About Idaho Power Company:

Idaho Power, headquartered in Boise, Idaho, and locally operated since 1916, is an electric utility that employs more than 2,000 people who serve more than 500,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon. With 17 low-cost hydroelectric projects as the core of its diverse generation portfolio, Idaho Power's residential, business and agricultural customers pay among the nation's lowest rates for electricity. IDACORP, Inc. (NYSE: IDA), Idaho Power's independent publicly traded parent company, is also headquartered in Boise, Idaho. To learn more, visit [www.idahopower.com](http://www.idahopower.com) or [www.idacorpinc.com](http://www.idacorpinc.com).

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## Why Does Idaho Power Need to Increase Prices?

Hydroelectric generation for the 2013–2014 PCA Year was forecast to be 6.8 million megawatt-hours (MWh). Actual hydro generation for the time period was 5.7 million MWhs, or 16 percent less than forecasted. In addition to requiring the company to use more expensive resources to meet customers' needs for electricity, lower than projected hydroelectric generation also results in lower than projected surplus sales. When surplus sales are lower, that benefit, which is passed through to customers, is reduced.

Currently, our hydroelectric generation is forecast to be about 86 percent of the normal expectation. Even though snowpack levels in the basins above Brownlee Reservoir are at or near normal levels, the reservoirs upstream from Brownlee are at significantly lower than normal levels due to the persistent dry conditions during 2013 through January 2014. When the upstream reservoir systems are low, Idaho Power is likely to experience below normal reservoir releases. As a result, coal and gas production costs are forecast to be higher, while surplus sales are forecast to be lower.

We work hard to provide reliable, fair-priced electric service to our customers. Although prices sometimes change, at the end of the day we all still pay a low price for our electricity relative to the value this essential and highly reliable service provides.

## Opportunities for Public Review

Idaho Power's filing is a proposal that is subject to public review and approval by the IPUC. Copies of the application are available to the public at the IPUC offices (472 W. Washington St., Boise, Idaho, 83702), Idaho Power offices or on Idaho Power's website, [idahopower.com](http://idahopower.com) or the IPUC website, [puc.idaho.gov](http://puc.idaho.gov). Customers also may subscribe to the IPUC's RSS feed to receive periodic updates via e-mail about the case. Written comments regarding the utility's application may be filed with the IPUC. You can view additional related materials on the filing, including a news release, at [idahopower.com/rates](http://idahopower.com/rates).



## How Can I Manage My Bill and Control Costs?

The price we pay for electric service is a set rate. But there are actions you can take to help manage your energy use and lower your electric bills.

### Five simple things you can do to lower your energy use:

- Clean or replace furnace filters at least twice each year.
- Clean coils on refrigerators and freezers semi-annually.
- Lower water heater temperature to 120° F.
- Use timers on landscape pumps and outdoor lights.
- Turn lights, appliances and electronics off when not in use.

Also, you can go to [idahopower.com/highbillhelp](http://idahopower.com/highbillhelp) to find out how to understand your bill, review payment options, and get information about Idaho Power energy efficiency programs.

April 15, 2014

## Idaho Power Files 2014 Power Cost Adjustment

On April 15, Idaho Power submitted its annual Power Cost Adjustment (PCA) proposal for approval by the Idaho Public Utilities Commission (IPUC). If the company's request is approved, the amount that Idaho customers pay for electric service each year will increase by \$11.1 million, an overall percentage increase of 1.04 percent from current prices, beginning June 1.

The PCA is a cost recovery tool that passes on both the benefits and costs of supplying energy to Idaho Power customers. Neither Idaho Power nor its shareholders receive any financial return on this filing.

## How the Request Will Change Prices

In compliance with a prior IPUC order, this year's PCA request includes an update to base rates that will provide for an additional \$99.3 million in power supply expense recovery. This base rate increase will be partially offset by an \$88.2 million decrease in this year's PCA collection. The net impact of the base rate increase and the PCA decrease is an increase of \$11.1 million.

A typical Idaho residential customer using 1,050 kilowatt-hours (kWh) of energy per month will see an increase of about \$0.57 on their monthly bill. The percentage of change will depend on a customer's group and the rate they pay.

### PROPOSED 2014 BILLED REVENUE IMPACT BY CLASS:

Percentage Change from Current Prices				
Residential	Small General Service	Large General Service	Large Power	Overall Change
0.56%	0.15%	1.26%	2.17%	1.04%



## Where Did Idaho Power's Electricity Come From Last Year?

Energy security for our customers is strengthened by having a broad mix of energy resources, and Idaho Power has a diverse generation portfolio. In above-average water years, our base of 17 clean, low-cost hydroelectric plants on the Snake River and its tributaries is typically our largest source of electricity, resulting in lower power production costs and associated benefits passed on to customers. We also use our efficient natural gas and low-emission coal-fired plants and a combination of short-term market purchases and long-term power purchase contracts from independent producers.

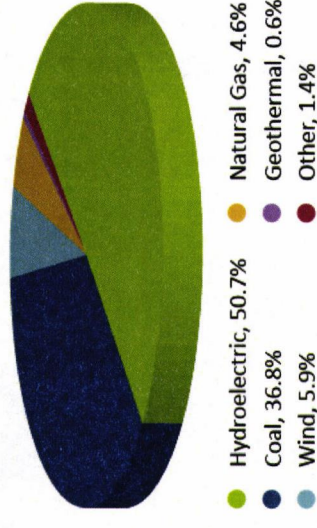


## Other Important Components of this Year's PCA Request

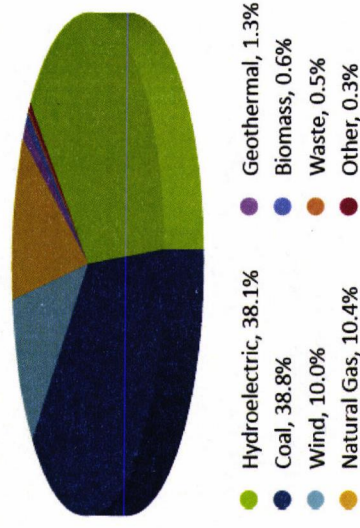
The company's PCA request includes the benefits of \$7.6 million in revenues to be shared with customers and a proposal to utilize \$20.0 million of energy efficiency funds as offsets to power supply expenses. The use of energy efficiency funds as an offset to this year's PCA will have no impact on existing or new energy efficiency programs. The company will continue to pursue all cost-effective energy efficiency.

The estimated fuel mix for Idaho Power's resource portfolio under normal and 2013 actual conditions is shown below.

**Normal Fuel Mix<sup>1</sup>** (2009–2013 Average)



**2013 Actual Fuel Mix<sup>1,2</sup>**



<sup>1</sup>Long-term power purchases with a known fuel source have been identified by fuel type; market purchases have been assigned the NWPP (Northwest Power Pool) Net System Mix from the State of Washington Department of Commerce Fuel Mix Disclosure.

<sup>2</sup>This is an estimate of the fuel mix of Idaho Power's portfolio of generation supply, including market purchases. Because Idaho Power intends to sell the Renewable Energy Certificates (RECs) that it owns in the near term with proceeds benefiting retail customers, and since Idaho Power does not own the RECs for the other qualified renewable resources represented in the above Resource Portfolio Fuel Mix Charts, Idaho Power cannot and does not represent that electricity produced by the above fuel mix was delivered to its retail customers in 2013. For more information on the energy delivered to retail customers see "Energy Delivered to Retail Customers" on our website at [idahopower.com](http://idahopower.com).

